

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Truth-in-Billing
and
Billing Format

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CC Docket No. 98-170

COMMENTS OF TELIGENT, INC.

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Teligent, Inc. ("Teligent") hereby submits its Comments in the above-captioned proceeding.¹

I. INTRODUCTION AND SUMMARY

Consumer understanding of telecommunications services and chargers is an important component of an effectively competitive telecommunications market. An incomplete understanding of the variations in services and rates offered by different carriers will dampen the vigor with which consumers take advantage of competitive alternatives. Moreover, confusion may make comparisons difficult or may cause consumers to be wary of availing themselves of new and innovative telecommunications services. Consequently, competitive carriers share the interests of consumers in

¹ Truth-in-Billing and Billing Format, CC Docket No. 98-170, *Notice of Proposed Rulemaking*, FCC 98-232 (rel. Sep. 17, 1998) ("Billing NPRM").

realizing clear and understandable customer billing practices.

For this reason, the Commission can choose to rely in large part on the market to ensure that billing practices offer customers the information they need in an easily understood format. One dimension along which carriers will compete against one another is the provision of bills in a manner appealing to customers. Commission rules that mandate or control every detail of a carrier's bill would constitute over-regulation and may even diminish some of the dynamic benefits of competition. In combination with market incentives, the existence of State-imposed billing requirements for the most part achieve the Commission's stated goals. Nevertheless, some refinement is desirable particularly with regard to ensuring that new and innovative means of billing customers are permitted under existing rules.

Customer billing rules themselves should uniformly permit variation. While preemption is one sure way to foster greater consistency and lower carrier costs, the Commission may opt not to preempt inconsistent State billing requirements and instead fashion model rules for adoption by State Public Utility Commissions that recognize the differences in business and residential customer billing needs and contemplate electronic billing mechanisms. Encouragement of limited and uniform billing requirements

will reduce burdens on the systems and limited regulatory resources of new competitors.

II. THE COMMISSION SHOULD TREAT BILLS FOR BUSINESS AND RESIDENTIAL CUSTOMERS DIFFERENTLY.

The Commission's interest in ensuring that consumers receive bills in a clear and understandable format appropriately extends to business and residential consumers alike. Nevertheless, it is important for the Commission to recognize that sophistication levels and specific billing needs vary drastically between business and residential consumers. The Commission's rules should not seek to impose a one-size-fits-all solution for consumers with very different needs and capabilities. Instead, the Commission's rules should differentiate between bills for business customers and those for residential customers when attempting to ensure that customers receive clear, accurate, and understandable bills from telecommunications carriers.²

Typically, business customers possess a more sophisticated comprehension of telecommunications carrier billing practices than residential customers. The greater sophistication of business customers is due in part to the resources they have to devote to telecommunications and billing. Businesses quite obviously depend heavily on

² For example, carriers serving only business customers should not be required to differentiate between deniable and nondeniable charges. Business customers presumably understand which charges are deniable and, in any event, are more likely than residential customers to challenge or inquire about a charge they feel has been assessed in error.

telecommunications services to conduct their daily affairs. Consequently, they have a greater incentive and ability to devote resources towards understanding and examining bills for inconsistencies and unwanted charges. Many businesses have specific groups or departments dedicated to examining bills and determining whether they receive the correct services and prices. Thus, for example, slamming and cramming constitutes less of a threat to business customers because such customers are more capable of identifying questionable charges.

Indeed, business customers often demand greater complexity in their billing. Given the relatively greater competition among carriers for business customers, there is an increased incentive for carriers to satisfy the demands of their business customers through, inter alia, accommodating any special billing needs. In those markets where competition is beginning, if business customers do not receive the customer service and billing formats they desire, they will simply switch carriers.

III. THE COMMISSION'S ACTIONS SHOULD CONTEMPLATE ELECTRONIC BILLING SOLUTIONS.

Today, most customers receive paper bills with a multitude of pages and inserts. A more efficient and exciting new way to make bills more accessible and understandable for customers is through electronic billing. With pop-up or flashing messages, hot buttons, and links to further information, customers can access more information - instantaneously and on a real-time basis -- in a clearer

format than is available on a paper bill. Moreover, an electronic billing format is consumer friendly: most business customers use the Internet daily, so the ability to review a bill on-line presents a convenient, appealing, and innovative option. Finally, considering the number of paper phone bills generated each month, electronic billing offers an environmentally sound option as well.

Electronic billing provides the informational clarity and completeness sought in the Billing NPRM. With the click of a button, customers can interact with their bills and verify service charges and fees as often as they wish. Using an electronic billing format, the customer's status summary could "pop up" on the screen upon login or follow some other innovative path, thereby alerting the customer of its current services and providers. The customer's attention could be directed to changes or new charges on the bill through color coding, blinking text, pop-out boxes, or symbols. By allowing customers to sort calls by geographic location or number, electronic billing facilitates cost analyses and offers more flexibility and interaction to understand charges and bills more thoroughly. Moreover, customers can use these advanced services to make better, more informed decisions about the types of services and features they need.

In addition, customers benefit from electronic billing when contesting a call or questioning a service or feature. An electronic billing system can provide a hassle-free

method of disputing a charge by linking the customer directly to the carrier's Customer Service Department, allowing the customer to contest charges on-line, reducing the time that the customer spends on the phone with a Customer Service representative, and allowing the customer to print a written record of the interaction with a carrier's Customer Service Department. In sum, electronic billing reduces costs for both carriers and consumers by reducing employee time devoted to billing, lowering transactions costs, and promoting a customer's ability to perform cost analyses and other functions designed to achieve the most efficient and lowest cost telecommunications services available. It simultaneously improves customer service by permitting customers to access more complete, detailed, and up-to-the-minute billing information.

The Commission seeks solutions that would allow consumers to benefit from a competitive marketplace.³ Teligent offers its customers the benefits of electronic billing to satisfy its customers' needs and to set itself apart from other competitors in the marketplace. The popularity of on-line banking suggests that as consumers become more comfortable with computers and on-line activity,

³ See Billing NPRM at ¶ 32 ("Our goal is that the telephone bill should allow consumers to understand easily the basis for each charge, discount, and assessment it displays so that consumers may compare among service providers and offerings to select the best value.").

they increasingly seek to complete transactions in this manner. The Commission must avoid implementing rules that would impede market-driven satisfaction of these consumers' preferences.

In prescribing any billing rules, the Commission should be aware of outdated and confining terminology. References to "pages" and "sections" of a bill imply that bills must be distributed in a paper format rather than through electronic means. The Commission, and the State regulatory agencies, should revise existing language or craft new language that expressly accounts for bills disseminated in an electronic format. Outmoded terms and assumptions will hamper the ability of telecommunications carriers to provide customers with innovative billing options to differentiate themselves from other carriers. The Commission's billing rules should allow for market innovation such as electronic billing that promotes the Commission's goals and serves consumer preferences.

IV. THE COMMISSION SHOULD PROPOSE MODEL RULES FOR ADOPTION BY THE STATES.

The Commission notes that "many states . . . have in place or are considering requirements to protect consumers from abuses associated with questionable billing practices"⁴ and seeks comment on how the Commission's jurisdiction should complement that of the States.⁵ If the Commissions

⁴ Billing NPRM at ¶ 14.

⁵ Id.

decides not to preempt inconsistent State billing requirements, it should devise model billing rules for adoption by the States. As in the Performance Measurements and Reporting Requirements NPRM,⁶ Commission-designed model rules would build upon individual State customer billing experiences and inform those rules where appropriate. States could update and modify their existing rules to conform with the Commission's guidelines. For those States that have not addressed the issue of customer billing, a comprehensive model would be available to them, permitting the conservation of their time and resources while promoting the expeditious implementation of customer billing rules.⁷

Consumers and carriers would benefit from the Commission's adoption of model rules. The adoption of model

⁶ See Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance, CC Docket No. 98-56, RM-9101, *Notice of Proposed Rulemaking*, 13 FCC Rcd 12817 at ¶¶ 22-26 (1998) ("Performance Measurements and Reporting Requirements NPRM").

⁷ It is not uncommon for States to seek guidance from the Commission. For example, by resolution, the National Association of Regulated Utility Commissioners sought the Commission's establishment of performance guidelines for the evaluation of access to the components of OSS functions. See Resolution Regarding Nondiscriminatory Access to Buildings for Telecommunications Carriers, NARUC 1998 Summer Meeting, Seattle, Washington. In the Local Competition Order, the Commission noted the Florida Public Service Commission's request that the Commission reestablish its old physical collocation rules as model rules for States to adopt. See Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, *First Report and Order*, 11 FCC Rcd 15499 at n.1484 (1996).

rules would allow the Commission to use its uniquely wide range of resources to fashion optimal carrier billing practices. Consumers nationwide could then receive the highest level of protections available.

Model rules will also promote uniform billing practices in the States from which consumers and carriers alike would benefit.⁸ Greater uniformity among State billing requirements would enhance the ability of nationwide companies to compare the service offerings of different carriers in different States. This enhanced ability would increase the competitive influence of one region's carriers on carriers in other regions. The TELRIC model adopted in the Local Competition Order has been successful in promoting a uniform approach among the States. A similar response to model customer billing rules would serve the public interest.

In addition, model rules can be used to encourage States to permit innovative carrier billing practices. Carriers may wish to implement different and creative billing practices as a way of pleasing their customers or making their services more attractive to potential customers. Greater uniformity in State billing requirements

⁸ The Commission observed that "a common set of [OSS performance] guidelines may benefit incumbent LECs that have deployed regionwide systems. . . ." Performance Measurements and Reporting Requirements NPRM at n.27. With respect to billing practices, the same principle is true for all carriers -- incumbents and new entrants alike -- with multistate territories.

would minimize the difficulty of compliance for national carriers and would promote efforts to provide the creative billing practices desired by some consumers. The lowest common denominator format could thereby be avoided. For example, as explained above in greater detail, Teligent intends to offer electronic billing options to its customers. Yet, the customer billing regulations in many States presume that customer billing is conducted through traditional paper methods. They either expressly or implicitly prevent carriers from conducting billing operations with their customers electronically.

Although some regulations would appear to adapt naturally to an electronic billing method, carriers cannot assume that this adaptation would be permitted. For example, in Illinois -- a very progressive State concerning competition issues -- although a regulation appeared not to prohibit electronic billing, the Commerce Commission refused to interpret the regulation in this manner and allowed Illinois Bell to bill electronically only after it received a permanent variance.⁹ Illinois now has a rule expressly permitting electronic customer billing,¹⁰ but it took nearly two years after Illinois Bell filed its petition before the rule was enacted. The Commission can encourage streamlining of these processes in other States by providing a template

⁹ Illinois Bell Telephone Co., 92-0215, Order 1992 WL 475855 (Ill. C.C., Nov. 10, 1992).

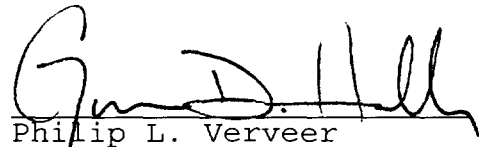
¹⁰ 83 Ill. Adm. Code § 735.70(j).

for the rapid clarification of State rules to permit
electronic customer billing.

V. CONCLUSION

For the foregoing reasons, Teligent respectfully requests the Commission to adopt customer billing rules that recognize the difference between business and residential customer needs and sophistication, permit innovative methods of billing (such as electronic billing), promote billing formats that are clear and easily understood by consumers, and encourage implementation of these principles in individual State billing rules, consistent with the proposals described herein.

Respectfully submitted,



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